

□ 1815

This motion to instruct is a clear attempt not to instruct the conferees, but to reverse what the will of the House has voted just a short time ago.

I urge Members to vote "no" on this motion to instruct.

Mr. Speaker, I yield back the balance of my time.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, it is okay every once in a while if the Sheriff of Nottingham does not win. Addressing the issue of alternative minimum tax ought to be the priority here. Speaking to those 19 million Americans who are going to get caught in this again is where we ought to be.

Once again, Katrina; two wars; doubling defense spending; the creation of Homeland Security; and although the President did not mention it the other night, he has planned a trip to Mars for NASA.

The point is very simple. We cannot continue going down this road of shaving revenue all the time for the strongest among us. It always has to be more for the powerful, more for the strongest. And on the point that was raised by the gentleman from Michigan about job growth, this has been, by the 5-year standard, anemic job growth. It is the weakest performance in 70 years. Twenty-two million jobs were created during the Clinton years.

Ms. JACKSON-LEE of Texas. Mr. Speaker, we have before us a very important piece of legislation, H.R. 4297, the "Tax Relief Extension Reconciliation Act." It is very important to understand this piece of legislation within the big picture the Republicans are painting here. Just last week, the Republicans passed a bill called "The Deficit Reduction Act." This was a spending cut bill that slashed funding to many vital programs my constituents depend on, including Medicaid, Medicare, student loans, food stamps, and child support programs. The Republicans lectured us on the need to make sacrifices to control the national debt. By passing the spending cut bill, the Republicans actually asked the poor, the downtrodden, the disabled and the young to sacrifice on behalf of the rest of the country.

Now we are faced with the Tax Reconciliation Act, which will add billions, if not trillions, to the deficit over the next 10 years. One source estimates that if all of President Bush's expiring tax cuts are extended, including the Alternative Minimum Tax (AMT) relief, it will cost this country \$3.3 Trillion over the next 10 years.

Last year, both the House and the Senate passed our respective versions of the Tax Reconciliation Bill. The major difference between the two bills involves AMT and the low rate on dividends and capital gains. The Senate version extends the temporary AMT relief for one year, while the House bill extends the 15 percent tax rate for dividends and capital gains for 2 years.

CAPITAL GAINS AND DIVIDENDS

The House bill contains language that will further extend the contentious capital gains and dividends tax cuts. We shouldn't even

have to debate this right now, because these tax cuts don't expire until 2008. If passed, the capital gains and dividends tax cuts will cost almost \$51 billion over the next 10 years. These tax cuts will be enjoyed by the ultra wealthy, with those earning more than \$1 million a year saving an average of \$32,000 in taxes. According to the Center on Budget and Policy Priorities:

Over half—54 percent—of all capital gains and dividend income flows to the 0.2 percent of households with annual incomes over \$1 million. More than three-quarters—78 percent—of this income goes to those households with income over \$200,000, which account for about 3 percent of all households.

In contrast, only 11 percent of capital gains and dividend income goes to the 86 percent of households with incomes of less than \$100,000. Only 4 percent of this income flows to the 64 percent of households that have income of less than \$50,000.

ALTERNATIVE MINIMUM TAX (AMT) RELIEF

If the Senate AMT provision is not adopted, over 17 million middle class Americans will face a tax increase next year from the Alternative Minimum Tax, the AMT. The AMT was enacted over 35 years ago to ensure that the richest Americans would pay their fair share of income tax. Unfortunately, when the AMT was enacted, Congress neglected to index the tax rates to inflation. The AMT has now begun to add an extra burden to middle class taxpayers at an alarming rate. I urge the conferees to recognize the need for continued AMT relief and include that language in the conference report.

KATRINA TAX RELIEF

In the House bill, unbelievably, there are no tax benefits for areas affected by last year's devastating hurricanes; Katrina, Rita, and Wilma. The Senate version of this bill contains language similar to language Congress already passed, providing a few billion dollars over the next 2 years. The economy of the gulf coast has been set back decades, and it is going to take years to rebuild. Congress should provide even more supportive tax laws for the region so that both businesses and individuals can get themselves back on their feet. I again urge the conferees to include language further providing tax relief to the areas affected by last year's hurricanes.

MISGUIDED PRIORITIES

Last month, Republicans in Congress couldn't find the money to spare the elderly from Medicaid cuts, to spare the students from loan increases, or to spare our children from child care cuts. They can't seem to find the money to properly rebuild the gulf coast or get New Orleans back on its feet. They are having trouble finding this money because they are choosing to extend the dividend and capital gains tax cuts for the richest in our country. As such, they are making the choice to pass the burden of paying for these tax cuts on to our children in the form of a huge deficit.

This is NOT how we take care of our own in Texas, and this is not how we do things in the United States. The Republicans are launching an unabashed attack on the American way by ignoring the neediest in our country to give tax cuts to the richest.

DEMOCRATIC SUBSTITUTE

At the time of the last vote, the Democrats offered an amendment in the form of the substitute that is much more fiscally responsible

and equitable. The Democratic Substitute extended for one year all temporary tax provisions that expire at the end of this year, similar to the Majority's bill. The major difference, however, is that the Democratic substitute addresses the problem of the AMT by eliminating all liabilities for middle class individuals. Further, this \$45 billion provision would be fully offset by rolling back a portion of the tax cuts that would otherwise go to those with annual incomes of over \$1 million for joint returns and \$500,000 for other returns. I again urge the conferees to seek fiscally responsible options and point out that there are other options to alleviate tax burden on the middle and lower class without lining the pockets of the ultra-wealthy.

CONCLUSION

Mr. Speaker, the priorities in the Republican bill are misguided. Congress should not be providing additional tax breaks for the rich less than a month after enacting huge spending cuts aimed at the most vulnerable. In the end, this tax bill will either exacerbate our already large Federal deficits, or will force even deeper cuts in critically important domestic programs. I am strongly opposed to this legislation in its current form, and I implore the conferees to seek more fiscally responsible options.

The SPEAKER pro tempore (Mr. REHBERG). All time for debate has expired.

Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Massachusetts (Mr. NEAL).

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. NEAL of Massachusetts. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this question will be postponed.

GENERAL LEAVE

Mr. CAMP of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 4297.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

RESIGNATION AS MEMBER OF COMMITTEE ON FINANCIAL SERVICES

The Chair laid before the House the following resignation as a member of the Committee on Financial Services: